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SENATE BILL 572

47TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2005

INTRODUCED BY

Pete Campos

AN ACT

RELATING TO SEVERANCE TAX BONDS; AUTHORIZING SHORT-TERM SEVERANCE TAX BONDS TO BE ISSUED ANNUALLY FOR CAPITAL PROJECTS OF PUBLIC SCHOOLS AND HIGHER EDUCATION; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. A new section of the Severance Tax Bonding Act is enacted to read:

"[NEW MATERIAL] SHORT-TERM SEVERANCE TAX BONDS AUTHORIZED-- APPROPRIATION OF PROCEEDS. --

A. In addition to the bonds issued pursuant to Section 7-27-14 NMSA 1978 and notwithstanding the limitations of that section, in compliance with the Severance Tax Bonding Act, the state board of finance may issue in any fiscal year severance tax bonds in the form of short-term notes, maturing

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1 on or before June 30 of that year, from any available cash in  
2 the severance tax bonding fund; provided that no bonds shall be  
3 issued pursuant to this subsection:

4 (1) until all other severance tax bonds and  
5 supplemental severance tax bonds to be issued in that fiscal  
6 year have been issued; and

7 (2) unless the balance in the severance tax  
8 bonding fund as of the date that the bonds are issued is  
9 greater than the sum of:

10 (a) the debt service on the severance  
11 tax bonds to be issued pursuant to this subsection;

12 (b) the debt service scheduled to be  
13 paid during the remainder of the fiscal year on all outstanding  
14 severance tax bonds and supplemental severance tax bonds; and

15 (c) the amount necessary to meet all  
16 principal and interest payments on outstanding bonds payable  
17 from the severance tax bonding fund on the next two ensuing  
18 semiannual payment dates.

19 B. Proceeds from bonds issued pursuant to  
20 Subsection A of this section are appropriated as follows:

21 (1) eighty percent of the proceeds are  
22 appropriated to the public school capital outlay fund for  
23 expenditure pursuant to the provisions of the Public School  
24 Capital Outlay Act; and

25 (2) twenty percent of the proceeds are

1 appropriated to the higher education capital project fund for  
2 expenditure for the capital needs of post-secondary educational  
3 institutions. "

4 Section 2. [NEW MATERIAL] HIGHER EDUCATION CAPITAL  
5 PROJECT FUND. --The "higher education capital project fund" is  
6 created in the state treasury. The fund shall be administered  
7 by the commission on higher education. The fund shall consist  
8 of money appropriated and transferred to the fund and severance  
9 tax bond proceeds distributed to the fund by law. Earnings  
10 from investment of the fund shall be credited to the fund.  
11 Money in the fund is subject to appropriation by the  
12 legislature for needed capital outlay projects at New Mexico's  
13 post-secondary educational institutions. Any unexpended or  
14 unencumbered balance remaining at the end of a fiscal year  
15 shall not revert. Disbursements from the fund shall be made  
16 upon warrants drawn by the secretary of finance and  
17 administration pursuant to vouchers signed by the executive  
18 director of the commission on higher education.

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